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FOREIGN AGRICULTURE

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INDIA'S RECORD WHEAT CROP

ITALIAN MARKETING

U.S. COTTON TEAMS

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This week's cover:

An Indian farmer winnows wheat on his farm near Delhi. He and some other farmers were photographed to illustrate the article beginning this page on India's bumper grain harvest.

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Raymond A. Ioanes, Administrator, Foreign Agricultural Service

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India Harvests Re

By James H. Boulware
U.S. Agricultural Attaché
V. M. Tandon, *Office of U.S. Agriculture Attaché, New Delhi*

Adequate and well-distributed 1967 rains, combined with improved varieties and a marked expansion in fertilizer usage, resulted in bumper harvests of rice, grain sorghum, corn, and millets in the fall and winter of 1967 for India. The country is now gathering a record harvest of winter grains, particularly wheat. Harvesting of the 1967-68 wheat crop began in late March and will be completed in the principal producing regions by the end of May.

Though a firm production estimate will not be available for some months, an outstanding crop is obvious. Advance forecasts are that wheat production this year will aggregate at least 16 million tons, compared with 11.5 million in 1966-67 and the previous peak output of 12.3 million in 1964-65. In fact, trade reports place the crop at 18 million tons, an estimate that may not be unduly optimistic.

The gain in wheat production during the current year will be shared by all producing States, with maximum increases in the major north Indian producing States of Punjab, Haryana, Uttar Pradesh, and Madhya Pradesh. Current forecasts of the 1967-68 wheat harvest for India and for these four States, compared with official estimates of last year's, are shown below:

	1967-68 *Mil. ton*	1966-67 *Mil. ton*
Punjab	3.4 to 4.0	2.5
Haryana	1.4	1.1
Uttar Pradesh	5.0	4.2
Madhya Pradesh	2.3 to 2.5	1.1
All-India total	16 to 18	11.5

Outstandingly good weather undoubtedly has been a highly important factor in bringing about this year's sharp in-

Scenes last month as Indian farmers gathered in this year's massive wheat crop. Far left, hired laborers on a farm in northern India harvest a new variety of Mexican wheat with a sickle. Left, tractor threshing of harvested wheat in a village near Delhi. Below, farmer examines the grain-laden ears from Sonora 64, a new Mexican variety.

ts Record Wheat Crop

crease in wheat production. Favorable weather and prices at the time of planting encouraged farmers to plant additional lands to wheat in many areas, notably Punjab and Haryana. Total area under wheat cultivation during recent years averaged 32 million acres. It is estimated that between 2 million and 3 million additional acres were planted this year. Well-dispersed rains during the growing season insured the availability of soil moisture in nonirrigated areas. Crop damage due to hail, frost, or disease was mostly localized and minimal.

Updated agriculture

Notwithstanding the highly favorable growing conditions of the past 6 months, a harvest of the size anticipated would not have been possible a few years ago. Indeed, the 1964-65 crop grown under similar conditions was 12.3 million tons. Farmer education, fertilizer, irrigation, and improved varieties made the difference.

For many years India with help from the United States, including the Ford and Rockefeller Foundations, has worked to improve agricultural practices. New varieties were introduced and adapted. Fertilizer supplies have about tripled in the last 4 years. The excellent 1967-68 season provided an opportunity for the Indian farmer to show the results, and he was not found wanting.

In 1964-65 the new short-stem Mexican varieties were grown only at experiment stations. The next year seed multiplication began in earnest. In 1966-67 demand was so great that 18,000 tons of seed were imported from Mexico.

In mid-1967 original plans were to plant 4.6 million acres with high-yielding dwarf Mexican wheat and an outstanding local variety, K-68, grown mostly in Uttar Pradesh, as compared with 1.34 million acres of these varieties in 1966-67. This target was subsequently raised to 6.7 million acres. Actual acreage apparently exceeded even the revised target.

Coverage under the high-yielding varieties of wheat is estimated at 7.0 million to 7.5 million acres, comprising 5.0 million to 5.5 million acres of Mexican wheat and 2.0 million acres of K-68. Average yields from Mexican varieties are expected to be 2 to 3 times higher than from the local traditional varieties, which generally yield 700 pounds per acre on nonirrigated lands and about 1,000 pounds on irrigated lands. Many progressive farmers have already harvested or expect to harvest 4,000 to 5,000 pounds per acre from the new high-yielding varieties of wheat this year. Some will exceed 6,000 pounds (100 bushels) per acre.

Solving problems of abundance

Strange as it may seem when viewed from the perspective of a year ago, some areas of India face a problem of storage and markets. The increase in wheat production will create problems of marketing, storage, and transportation, particularly in the surplus-producing north Indian States of Punjab and Haryana. The marketable surplus in Punjab available for shipment to other States is expected to be at least twice that of a year ago, which was slightly under a million tons. Such surplus supplies in Haryana are estimated at 200,000 to 300,000 tons. Production of barley, chickpeas, and other winter pulses in these two States will also be substantially higher than in previous years, thus accentuating the movement problems.

One-half to two-thirds of the surplus wheat and other winter grains are marketed in the quarter immediately following harvest. Apart from creating congestion, the arrival of such large quantities in the markets in a short period of 3 months could cause a collapse in prices and affect produc-

tion programs for the next year. Local storage facilities in Punjab and Haryana are inadequate to cope with the expected market arrivals. Approximately 1.5 million tons of wheat must be moved out of these States for storage in other areas between now and the onset of monsoon rains in early July. Failure to do so would result in losses of grain.

The Governments of India and of the States are fully aware of these problems and have taken measures to prevent an unduly sharp drop in prices and to minimize storage losses.

Until recently foodgrains could be legally moved across State boundaries only on government account. Each State was a food zone with private trade illegal between States. Effective April 1, the Government of India constituted a multiple-State food zone in the north, comprising Punjab, Haryana, Delhi, Himachal Pradesh, and Jammu and Kashmir. All restrictions on the movement of grain within this zone were eliminated. The inclusion of the deficit hilly States and Delhi in the zone will enable private entrepreneurs to ship grain from Punjab and Haryana and also provide support to prices. The government raised the national target for procurement of wheat from the current harvest to 2 million tons, against 800,000 tons from the previous harvest, to support prices and to accrue a buffer stock. Of this target, the shares of Punjab and Haryana have been set at 1.2 million and 100,000 tons.

Procurement prices were established at 76 rupees per quintal ($2.76 per bushel) for common white and Mexican varieties and 81 rupees ($2.94 per bushel) for superior farm quality. These prices are profitable for efficient growers, are slightly higher than those recommended by the Agricultural Price Commission, and are at a level with procurement prices applicable to the 1966-67 crop in Punjab.

Construction of additional storage capacity is under way in Punjab on an emergency basis. This will raise the total storage capacity available to the Central and State Governments, including the cooperative sector, in Punjab and Haryana to 475,000 tons. Arrangements have been made for the government to move from these States each month 200,000 tons of wheat by rail and 100,000 tons by road for the next several months.

Accomplishment of these reasonable targets, combined with private movements, should handle the excellent 1968 harvests.

Though India still has much to do to provide adequate food for its growing population, the 1967-68 harvest indicates clearly that progress is being made. The Indian farmer has shown that he can do much to close the Indian food supply gap if fertilizers continue to be made available to him. Though production will, of course, fluctuate with weather, the 1968 crop clearly presages that India is nearer the day when massive imports of the magnitude of 1966 and 1967 will be needed to avoid starvation or dire distress only if growing conditions are the worst imaginable.

Foundations Boost Worldwide Agricultural Research

The Ford and Rockefeller Foundations last month announced nearly $5 million in grants to three agricultural research and training centers that are now or soon will be working to improve food production in the less developed countries of the world. At the same time the two foundations also reported progress in the planning of a fourth center.

Grant recipients are: International Rice Research Institute, Los Baños, Philippines; International Maize and Wheat Improvement Center, Chapingo, Mexico; and International Center for Tropical Agriculture being established at Palmira, Colombia. The fourth center—the International Institute of Tropical Agriculture—will be located at Ibadan, Nigeria.

These institutes, unique creations of the two foundations, are designed to speed development of the technologies and knowledge needed before there can be significant increases in agricultural productivity. Much of their research is keyed to tropical regions, where the imbalance between food supply and growing population is particularly critical.

The centers in the Philippines and Mexico are already successfully spreading the use of new crop varieties and new crop-production technology in many less developed countries. The new centers will extend such services to regions with other soil and climate characteristics.

Over half the total financial support announced by the foundations went to the International Rice Research Institute. This Institute received $1,544,550 for its core staffing and operating costs; $235,000 to support protein-quality studies, special training programs, and other international activities; and $787,000 to develop new rice research facilities in East Pakistan, for a project in Ceylon, and for rice-improvement programs in cooperation with the Governments of Thailand and India.

The International Maize and Wheat Improvement Center received $1,845,000 for 1968 operations, for corn programs in Kenya, Mexico, and Central America, and for development of headquarters. Although this institute was established only last year, it is building on a quarter of a century's cooperative effort along the same lines by the Rockefeller Foundation and the Mexican Government.

The International Center for Tropical Agriculture to be established in Colombia received $430,000 from the two foundations for initial planning services. This center will be concerned primarily with the lowland tropic area stretching from Central America through Brazil, but its findings are expected to benefit other tropical regions as well. It will be located on land contributed by the Colombian Government. In addition to conducting corn and rice research in cooperation with the institutes in the Philippines and Mexico, the Colombian center will investigate four possible areas of emphasis in research and training—starchy food crops, grain legumes, tropical pastures and livestock, and tropical fruits and vegetables.

The International Institute of Tropical Agriculture in Nigeria will also be concerned with problems of agriculture of the hot, humid tropics. Research will focus on problems of developing stable, productive food-crop farming in these areas where the traditional shifting agriculture, based on bush fallow, is still practiced almost universally. Emphasis will be on crop- and soil-management systems for sustained productivity on lateritic, rain forest soils, varietal improvement in crops, crop rotation, livestock feeding, and pest control. It will be located on 2,500 acres acquired by the Government of Nigeria. Plans for the first phase of construction have been completed.

Australia Moves To Modernize Its Dairy Industry

The Australian Parliament this year will consider legislation to bolster the country's dairy industry, which is suffering from the common ailment of low prices, heavy surpluses, and continued production inefficiencies. The proposed program, which would cost the government up to A$25 million over the next 4 years, was outlined recently by J. D. Anthony, Minister for Primary Industry, in a speech to the Queensland Dairymen's State Council.

The three main purposes of the program, according to Mr. Anthony, would be to help low-income farmers leave the industry if they so desire; to increase the size of existing holdings so that they will be more profitable; and to encourage diversification away from butterfat production. It would be conducted in conjunction with the State Governments and would not only help small farmers who can't find buyers but also neighboring farmers willing to take over the land.

The program envisages the complete writing off of unwanted assets on each farm to be amalgamated with another holding. This means that the Commonwealth Government would provide a grant to the seller to compensate for barns, houses, and other assets not required by the buyer. A Commonwealth loan would then be provided to the State Government concerned, which would buy the land and in turn sell or lease it to a neighboring farmer. The amalgamated farms would make possible improved operations and management, either in dairy farming or in some other kind of farming.

In the case of Queensland, it is planned to make the land available to the new owner on a perpetual lease basis. Final rental terms have not yet been determined, but Mr. Anthony anticipates that the annual rental, with all the unwanted assets written off, will be in the neighborhood of 2.5 percent of the assessed value—liberal terms in relation to those presently ruling. The Minister stated that such terms are quite justified to get the industry on a solid footing.

During his speech, Mr. Anthony made constant reference to the pessimistic marketing outlook for dairy products and the need to switch to other enterprises if at all possible. He referred to the problems created by the EEC's heavy subsidization of its producers and the resultant price depression in world markets. An example of this, Mr. Anthony said, was the recent butter tender issued by Ceylon. While Australia offered at 308 shillings sterling a hundredweight (about 33.0 U.S. cents per lb.), a quote closely related to the British market price, Belgium offered at 267 shillings (28.6 U.S. cents), and the Netherlands at 238 (25.5 U.S. cents).

Of all the States in Australia, Queensland has the biggest dairy problem. Its average milk yield per cow was only 369 gallons in 1966-67 compared with 638 in Victoria and 514 for all of Australia. Moreover, the State has about 2,500 dairy farms considered to be uneconomical. This amounts to more than a third of the 7,000 such farms in all of Australia.

Many of these farms have been sold to city people who have little or no experience. It is this group that is to be phased out. On a countrywide basis, about 3 percent of the dairy farms have gone out of production each year. Using this as a guide, government planners hope that each year of the program will bring a reduction of 3-6 percent in the number of Australian dairy farms.

Since Queensland has the biggest problem, the bulk of the A$25 million is expected to be allocated to this State. A substantial proportion will also go to New South Wales for the depressed area on that State's northeastern coast. Only small amounts will be allocated to other States, with the heavy timber country in southwestern Australia getting most of the remaining money.

The plan follows in part the recommendation made in 1960 by the Dairy Industry Committee of Enquiry. Although in many instances the amalgamation of farms or diversification into beef cattle will improve the economics of the remaining farms, it is by no means likely that the program will reduce the amount of manufacturing milk available in Australia. In fact, with more efficient management, it could well increase. Hence, the program will probably not result in an ultimate reduction in Australia's exportable surplus of butter, cheese, or powdered skim milk.

—Based on a dispatch from
FRED M. LEGE, III
U.S. Agricultural Attaché, Canberra

Spain Enacts New Labeling Requirement

Beginning June 15, 1968, most food items sold commercially in Spain must be labeled in Spanish to show the following: Country of origin, common name, form of preparation, ingredients (where more than one food item is involved), additives, commercial grade or classification, necessary directions for use, and minimum net and drained weight when suitable. For semipreserved fish products, the label must add "semipreserved—keep in cool place." In addition to these requirements, labels for products that alter with passing time are to state the month and year of manufacture.

The quality of imported products must correspond to that shown on import documents and labels. Quality inspections will be based on Spanish standard specifications applicable to exports.

Products to be labeled include seafoods; meat, meat products, and meat preparations; dried, dehydrated, sugar-coated, semi-preserved, and canned fruits and vegetables (and products); convenience foods; soup products; spices and sauces; preserved milks and cheeses; stimulant foods and derivatives; baby foods; pasta products; crackers and biscuits; and pet foods. Other products with characteristics similar to those listed above and natural foods that are chilled or concentrated and packed for direct sale to consumers are also included.

Canada's Beef Futures

The Winnipeg Grain Exchange has announced that a beef futures market will be set up this fall. J. Ernest McWilliams, president of the exchange, has spent several months promoting the idea with farm organizations, which earlier had forced the exchange to retract plans to open a beef futures market in 1967.

Most farm groups, with the exception of the Manitoba Farmers Union, support the idea of a beef futures market. W. B. Parrish, chairman of the exchange's board of governors, said the market would open this fall. The first contract will be timed to meet the fall requirement of both feedlot operations and producers of young cattle for fattening in feedlots. Cattle feeding in Canada has been on the increase to meet the rapidly expanding demand for high-quality fed beef.

Philippine Livestock Industry Outlook Good

By FRANK L. WADDLE
Assistant U.S. Agricultural Attaché, Manila

Locally produced meat supplies and livestock numbers are generally trending upward in the meat-hungry Philippines. Increases in pork, which makes up 81.5 percent of the red meat eaten in the country, are particularly marked. Meat supplies during the year ending March 1, 1968, are forecast at 460,830 metric tons, or up about 7 percent from those of a year earlier. Average red meat consumption, however, is still low—about 28.7 pounds per year per person in 1967, compared with 155.2 pounds per person in 1967 in the United States.

Meat imports are also growing. Consumer demand is increasing even more rapidly than the livestock industry is advancing, and the gap is being filled by imports.

The most obvious trends within the Philippine livestock industry are that cattle, hog, and goat slaughter numbers are up and that caraboa and sheep slaughter numbers are down. Meat losses due to fewer sheep and caraboa killed were more than offset by gains in beef, pork, and goat meat production.

Favorable growth influences

One aid to production increase during 1967 and early 1968 was generally good weather, except for one typhoon late in 1967. Pasture and forage were better than average.

Another aid was the inauguration in 1967 of a special loan program for cattle and hog producers by the Development Bank of the Philippines. An anticipated P7.2 million will be made available each year for the next 13 years to cattle ranchers. The money will be divided equally between small and large ranches and can be used for various improvements and the purchase of breeding stock. Loans totaling P1.8 million a year are planned in each of the next 10 years to hog-producing operations with a minimum of 25 breeding sows each. The Bank estimates that 150 projects will be backed by the program for hog producers and that pork supplies should be increased by about 75,000 metric tons a year.

Construction of a new terminal market with cold storage facilities for meat is scheduled to begin on the outskirts of Manila this June. Completion of the market is planned for the middle of 1969. The new cold storage facilities would greatly improve meat-marketing efficiency in the Manila area.

Recent emphasis by the Philippine Government in agricultural programs has been on achieving self-sufficiency in rice and corn production. Several aspects of such programs will be of benefit to livestock raisers. Improvements in secondary roads, for example, will make it easier to get animals to market. Better facilities for drying and storage should make more grain available for poultry and livestock feed. Improved farm income from expanded production of rice and corn should lead to an increased farm demand for and consumption of red meats.

Beef production

Cattle numbers are estimated to have increased about 3 percent to 1.9 million during the statistical year ending March 1, 1968. Beef and veal production during the same period are estimated at 41,850 metric tons, or 16 percent greater than during the previous year. The apparently large production increase is due to the small production in the year ending March 1967—down 11 percent from 1966 because of an outbreak of foot-and-mouth disease in central Luzon.

No separate figures are available on veal production; but the number of calves slaughtered in the Philippines is insignificant.

Philippine cattle are small compared with American breeds, and the average dressed carcass weight is about 300 pounds. Some larger ranches have crossbred native cattle with imported stock for improved size and weight, but most native cattle have been unaffected, and the introduction of quality breeding stock for local herds is much needed. Recently, an active association of cattle raisers has emerged and is providing aggressive leadership in trying to improve beef production.

Only a few cattle-finishing operations exist in the Philippines because of the short supply of quality mixed feeds. Most present finishing operations are limited to farms that have feed-mixing facilities and a good source of cheap raw material, such as pineapple waste. Expansion of this phase of the livestock industry would increase beef production rapidly.

Carabao meat production

Carabao population is thought to be up to about 3.9 million as of March 1, 1968—an increase of 3.5 percent from a year earlier. Slaughter, however, is estimated to be down 29 percent from the previous year; meat production of 33,400 metric tons is expected. The decrease in meat production is due to the effectiveness of the government ban that began in 1966 on carabao slaughter. Carabao killing (except for old or incapacitated animals) has been discontinued in the national slaughterhouse in Manila; but illegal slaughter on farms continues because carabao meat is cheaper than beef and is a satisfactory substitute.

The ban on carabao slaughter will probably be continued and will somewhat deter growth of carabao meat production. But high beef prices and some mechanization of rice culture (carabao are slowly being replaced by small hand tractors as a source of farm power) will probably accelerate carabao slaughter and lead to a reduction in carabao numbers.

Pork production

Pork is by far the most important source of meat in the Philippines. Although hog numbers (now estimated at 11.5 million) probably increased only a modest 2.7 percent during the year ending March 1, 1968, pork production jumped 8 percent to 366,940 metric tons. Total hog slaughter during the same year is estimated at 8.1 million head, of which about 25 percent were killed at the national slaughterhouse.

In spite of large total pork production, the output of sausage, ham, and bacon continues to be hampered by an inadequate supply of hogs. The largest processing plant in the

Meat production in the Philippines is expected to rise because of a special loan program to hog and cattle raisers, planned market facilities, and improving farm management.

country is reportedly running at only 10 percent of capacity because of lack of animals for slaughter. High duties on imported processed pork products make local production especially attractive, and output should expand steadily if more slaughter hogs become obtainable.

Prospects for moderate expansion in the pork industry during the next few years are good. Demand for pork will increase as the population grows, even though pork is too expensive to be consumed in large quantities by the average wage earner. Pork, however, is less costly than beef. The chief hindrance to rapid increase in pork production is the scarcity and cost of quality feeds. But some very large producers who mix their own feed are planning major expansions of their operations this year.

Mutton, lamb, and goat meat production

The sheep population has declined sharply since 1965, and total number of sheep is now estimated at about 6,000 head. Local sheep are not sheared for wool. Total slaughter of sheep during the year ending March 1, 1968, is pegged at about 5,000 head to produce approximately 78 metric tons of meat. Sheep producers are not enthusiastic about the future of this industry. Nearly all sheep slaughter is on farms for barrio fiestas, baptismal feasts, and other local gatherings.

The Philippine Government in recent years has encouraged the raising of larger numbers of goats for additional milk and meat supplies. Goat numbers in the year ending March 1, 1968, are estimated to be 3 percent greater than a year earlier. Meat production during the same period is estimated at 5,200 metric tons. Like sheep, most goats are slaughtered on farms for special occasions. Very little goat meat is marketed.

Livestock byproduct industries

Tallow and grease are produced by only two commercial renderers in the Philippines and have been stable in quantity for several years. All tallow made is inedible and is used for making soap. Lard is mostly produced and consumed directly in individual households. Hides and skins are important to the local shoe industry.

Variety meats (such as livers, intestines, hearts, lungs, kidneys, omassum, and stomachs) are mostly consumed directly in the Philippines by farmers who slaughter animals.

Problems of future production

One of the obstacles to the expanding livestock industry is the decline in real income per capita which is now occurring in the Philippines. In other words, the average wage earner finds red meat an increasingly expensive diet item.

Another problem that affects particularly the cattle and hog branches of the industry is the high price and scarcity of quality feeds. Corn is available but expensive, and local feed millers often reduce the quality of their feed to offset rising corn prices. Protein supplements for feed are unavailable in sufficient quantity locally, and imports face high duty.

Beef production appears to face more problems than other industry branches. For example, very few cattle ranches have the irrigation facilities needed to insure sufficient forage during the dry season from December through May. Even in areas where forage is adequate in quantity during all seasons, the quality is often poor. Nearly all cattle farms

PHILIPPINE LIVESTOCK NUMBERS, SLAUGHTER, AND PRODUCTION [1]

Item	Unit	1965	1966	1967 [2]	1968 [2]
CATTLE					
Number	1,000 head	([3])	1,798	1,850	1,905
Number slaughtered	do.	([3])	300	268	310
Beef production	metric tons	([3])	40,500	36,100	41,850
CARABAO					
Number	1,000 head	3,370	3,661	3,770	3,900
Number slaughtered	do.	270	320	280	200
Carabao meat production	metric tons	45,090	52,000	44,760	33,400
HOGS					
Number	1,000 head	10,513	10,476	11,200	11,500
Registered slaughter	do.	1,344	1,540	1,750	2,000
Other slaughter	do.	4,956	5,360	5,750	6,100
Total slaughter	do.	6,300	6,900	7,500	8,100
Pork, registered slaughter	metric tons	60,948	68,975	78,750	90,000
Pork, other slaughter	do.	229,052	248,025	261,250	276,940
Total pork production	do.	290,000	317,000	340,000	366,940
SHEEP					
Number	1,000 head	10	6	6	6
Sheep and lambs slaughtered	do.	12.5	4	5	5
Mutton and lamb production	metric tons	212.5	62.5	78	78
GOATS					
Number	1,000 head	618	832	850	875
Number slaughtered	do.	258	290	310	325
Goat meat production	metric tons	4,130	4,700	5,020	5,200

[1] Years in table run from April 30 of previous year to March 1 of year given. [2] Estimated. [3] Data not available.

would greatly benefit by improved forage and pasture crops.

Another hindrance to improvement in the cattle industry is that the Bureau of Animal Industry, which has the responsibility for encouraging livestock development, is greatly hampered by a lack of funds and a shortage of trained personnel. The Bureau has been trying to upgrade local cattle by distribution of better breeding stock under the Animal Dispersal Act, but very few animals have been delivered so far to local farms and ranches.

Probably the most serious deterrent to expanding cattle production, however, is a lack of ranchers trained in management skills. There are very few qualified animal husbandmen in the Philippines capable of handling large cattle operations. The situation could be somewhat remedied in the next few years by a new training program at the College of Agriculture of the University of the Philippines; it is upgrading the quality of instruction in animal husbandry and is improving its research facilities.

Meat imports to the Philippines are increasing in spite of expanded local production. Beef imports (1,733 metric tons in calendar year 1966) equal about 5 percent of local production and are an important part of beef supplies. A larger tonnage of beef is imported than of any other meat. The leading beef supplier is Australia, followed by New Zealand, but the United States and Argentina are also important.

Pork imports are very small compared with local production—less than 1 percent. Secondary pork import sources and amounts have varied in recent years, but Denmark has maintained its role as the major supplier. The United States, the United Kingdom, and the Netherlands have also been traditional pork sources. A major supplier in calendar year 1967 was West Germany.

Mutton and lamb imports (165.4 metric tons in calendar year 1966) are now much greater than Philippine production (62.5 tons in statistical year 1966) but are only about 7 percent of total imported meat tonnage each year. New Zealand is the dominant mutton and lamb supplier, but Australia, the United States, and Denmark are also important.

Philippine imports of breeding animals have been small in recent years. The only available figures are on cattle: 380 head in 1964, 248 in 1965, 291 in 1966, and at least 123 from the United States during 1967.

Italian Marketing Structure Resists Change

By A. Paul Danyluk
Assistant U.S. Agricultural Attaché, Rome
and Alberto Cacciaguerra
Agricultural Specialist, Office of Agricultural Attaché

The present food-marketing structure in Italy suffers from the large number of small farms independently selling their produce to small wholesalers or individual store owners. The structure has low efficiency because of the number of individuals bought from, the crowd of middlemen, and the mass of eventual retailers. At the end of the 1966 Italy had 499,966 retail food shops (including about 600 supermarkets), or one shop for every 107 inhabitants in a population of just over 53 million. At the same time, the number of food wholesalers was 43,939, or about one for every 11 retail shops. In 1966 the United States, with a population of nearly 200 million, had 227,005 retail food shops, or about one for every 881 persons, and only about 2,700 wholesalers, or approximately one wholesaler for every 84 retailers. Even more significantly, in the United States only 2,001 retail stores were unaffiliated with high-volume buying groups of 11 members or more.

Retail stores in Italy tend to be low-volume, neighborhood, specialty shops. Traditionally, a housewife determined to provide tasty and wholesome food for her family does a morning's shopping by visiting the baker, the butcher, the fruiterer, the poulterer, the greengrocer, and perhaps a few others. Since neither stores nor homes traditionally have facilities for preserving fresh meats and other perishables, the storeowner has to get fresh produce each day and the housewife has to shop each day. The time spent in retail distribution is obviously large.

Small-volume, local wholesalers are often in competition with the farmers whose produce they wish to buy for resale to retailers. Many farmers bring their own produce to town in trucks and sell it directly to housewives or retailers. Commonly, a local wholesaler has one or more agents located in farm areas to buy produce, sell produce to retailers, or sell produce to local but larger wholesalers. If goods are sold by wholesalers to other wholesalers, they may be transfered three or four times before they reach the consumer.

New ways push old

The cumbersome traditional food-marketing practices are gradually being exposed to pressures to change. First, the declining farm population has sharply reduced the available manpower for producing, transporting, and distributing farm products. Second, more women work outside the home (in 1966 about 27 percent, or 5.3 million, of the total Italian labor force were women). Women who work want to spend less time shopping and tend to favor stores where they can buy more than one type of item—especially if the store sells canned or semi-prepared foods. Third, the increasing abun-

dance of cars makes it easy for people to shop outside their immediate neighborhoods. One out of every seven Italians now owns a car. Fourth, an estimated 23 million to 26 million tourists visit Italy every year, spend between US$1.0 billion and $1.3 billion, and not only demand processed foods for themselves but influence Italians to accept such food.

But in spite of pressures to change, actual change has been very slow. Many farmers still use old methods of marketing. Modern marketing systems, including cooperatives, have proved successful only for a few commodities as yet. In 1966 about 35 percent of all milk, 19 percent of wine, and 14 percent of deciduous fruit were marketed through cooperatives. Of other farm goods, only between 2 and 5 percent were sold through cooperatives. The introduction of new processing industries, such as canneries, has achieved some market streamlining.

The greatest handicap to improving the present food-marketing structure in Italy is the structure itself with its high costs of distribution and small volume of business. For example, the present system limits the usual advantages of supermarkets: high volume, standard quality, and low prices. Although a system of contracts with farmers is becoming more popular, supermarkets and other large food dealers often have difficulties in obtaining both the desired volume and quality from small Italian farms. To maintain volume and quality, many supermarket chains import substantial quantities of food from abroad and incur a price disadvantage. Supermarkets have a further price disadvantage because they pay their workers wages and in addition contribute approximately 40 percent of wage value for social benefits. The small, family-owned, retail food stores are generally operated with little consideration given to the worth of the time spent in the store by the family members. Because of these factors, prices in supermarkets are often higher than in neighborhood shops. So far in Italy, supermarkets have succeeded mainly in higher income areas where the attitudes of the consumer is favorable toward canned and processed foods and convenience.

Another self-perpetuating feature of the present system is that small retail shops continue to increase in number but that supermarkets often find it difficult or impossible to obtain necessary licenses for new stores because of objection from neighborhood shop owners and local chambers of commerce. The objection seems to operate equally against Italian and foreign-owned supermarket chains.

New goods find market

The effects of some supermarket techniques are beginning to be noticed by traditional Italian food wholesalers and retailers—especially the importance of cutting distribution and handling costs. Supermarkets have also paved the way for the acceptance of some prepared foods in Italy. Many of the new items accepted by Italian customers of supermarkets have also begun appearing in traditional small shops.

According to a recent survey conducted by the Istituto Agrario Femminile e di Economia Domestica in Florence. consumers are giving greater acceptance to frozen poultry, frozen vegetables, and imported seed oils because of lower prices, less waste, and shorter time for preparation.

A boom is occuring in the sales of canned products and semi-prepared foods (for example, instant pizza). Such foods are not only convenient but cost less to distribute than perishable foods. The lower expense is appreciated by both the consumer and the distributor.

Effects of present system

Although the share of consumer expenditure going for food has declined in recent years in Italy as standards of living have improved, in 1966 it was still as high as 42 percent, or about $17 billion. Obviously, food costs are important to most consumers.

The present food-marketing system in Italy imposes definite penalties on the consumer. Inefficient distribution procedures add to rising food costs in Italy.

Counterclockwise, licensed fruit and vegetable seller in a square in Rome; the fresh produce counter in a typical Roman supermarket; crates of cabbage, fennel, and other vegetables next to a weighing scale at a wholesale company in Rome.

Chile's Market for Red Meat Outpaces Production

Chile is still facing a meat shortage—particularly in beef—although cattle, hog, and sheep populations of Chilean farms had increased by the end of 1967 and imports of slaughter animals were still large (though down from 1966).

Chileans prefer beef to any other meat; but not enough is produced in Chile to satisfy demands at present prices, and large numbers of slaughter cattle are imported. Scarcity of foreign exchange, however, makes it undesirable, if not impossible, to continue importing slaughter cattle in ever-increasing quantities.

The Chilean Government has tried a variety of measures in attempting to find a solution to the situation. The importation of beef and veal has been reduced by restricting retail sales to only Fridays and Saturdays. Some portions of the Chilean Government have advocated letting beef prices rise in relation to prices for other meats, both to cut beef consumption and to encourage beef production. But other groups in Chile's Government have been dedicated to keeping down consumer costs in the present inflationary situation, and beef is an important consumer item.

So far, beef wholesale prices have remained low—in 1967 the average liveweight price of steers in terms of purchasing power was 9 percent lower than in 1966. The purchasing-power prices of sheep and hogs also declined in 1967 compared with 1966. In early 1968, though, prices improved and now compare to 1966 prices in real value.

More cattle, but lower sales

The larger cattle population in Chile has not resulted in increased cattle slaughter and beef production. Although cattle estimates were 200,000 head greater at the end of 1967 (about 3,100,000) than at the end of 1965 (about 2,900,000), the number slaughtered per year had probably dropped about 40,000 head. Beef and veal production per year was estimated to have decreased from 137,012 metric tons in 1965 to 125,000 tons in 1967, or 9 percent.

Larger cattle numbers and lower slaughter are probably the result of expectations of higher prices. But increased cattle inventories may also indicate that farmers are holding cattle as a hedge against inflation.

Pork production is gradually increasing in Chile and reached an estimated 49,000 metric tons in 1967, 2 percent more than in 1966. Pork production is profitable and is increasing on farms that can raise their own hog feed. However, commercial feeding operations where feed is purchased have not developed and are not likely because of the 7 percent selling tax on animal feeds.

Output of mutton and lamb has also increased the last few years, and estimated production in 1967 was 25,650 metric tons compared with 23,765 tons in 1965. Chile's only meat exports are frozen lamb and mutton from its southernmost province, Magallanes. In 1967 a total of 1,330 tons were exported to the United Kingdom, Hungary, Peru, and West Germany.

Trade sources estimate that about 35,000 cattle, 20,000 sheep, and less than 500 hogs were imported by Chile during 1967 for slaughter. Cattle were down particularly from the 69,000 imported in 1966; sheep fell substantially from the 1966 figure of 28,860, and so did hogs (1,508 in 1966). Nearly all imported slaughter animals were from Argentina in both 1966 and 1967. Argentina is Chile's traditional supplier. In addition to slaughter animals, fresh, chilled, and frozen beef, veal, pork, lamb, and mutton were imported (about 13,000 metric tons in 1966).

Chile's red meat consumption

Due to the combination of decreased sales of indigenous cattle and lowered imports, the total estimated supply of red meat decreased from 1966 to 1967 from 219,926 to 215,605 metric tons. Chilean consumption of red meat fell from about 56 pounds per person in 1966 to about 53.7 pounds in 1967. (In the United States per capita consumption of red meat was 155.2 pounds in 1967.)

An encouraging factor in the situation, however, was that loss of production of red meat was more than offset by gains in poultry production. Until 1966 in Chile poultry production averaged 16,000 metric tons per year. By the end of 1966 it had jumped to 27,000 tons, and for 1967 was estimated up to 38,000 tons. Poultry is still more expensive than beef, but it is becoming more available.

—Based on dispatch by WALDO S. ROWAN
U.S. Agricultural Attaché, Santiago

Belgium's Winter Grain Plantings Increase

Hoping for a repeat performance of last season's record yields, Belgium has increased its winter grain plantings 29 percent this year.

According to the country's National Institute of Statistics, winter grain area in Belgium this season totals 437,000 acres compared with 339,000 in 1966-67. Largest gain was in wheat up 44 percent to 280,000 acres. Winter barley acreage also showed a large gain—by 18 percent to 77,000 acres.

Belgian producers enjoyed record yields for both of these crops in 1966-67 and hope for similar results this season. In addition, they were encouraged to plant more because of (1) maximum time for fall planting as a result of the early 1967 harvest; (2) excellent weather and soil conditions throughout last fall; and (3) guaranteed prices for wheat, a very profitable crop in Belgium.

The record yields obtained for last year's winter wheat crop were due partly to the weather but also to the increased used by farmers of three new Belgian varieties of winter wheat—CAMA, MARCO, and MINA. These have been on the official list of government-approved seeds only since 1966. In field tests at Gembloux, their yields averaged about 104 bushels per acre.

Because of the sharp increase in winter grains, plantings of spring grains will probably decline. Spring wheat acreage is expected to be off by about 25 percent, and decreases are also expected for spring barley, oats, and other mixed cereals. As a result, the total acreage planted to cereals in 1967-68 will probably be kept to about 1.2 million acres, or slightly above the previous season's.

BELGIUM'S WINTER GRAIN AREA

Item	December 15		
	1965	1966	1967[1]
	Acres	*Acres*	*Acres*
Winter wheat ..	240,624	194,569	280,211
Rye	77,206	67,471	68,200
Winter barley..	60,112	65,210	77,342
Other[2]	10,182	11,500[3]	11,713
Total	388,124	338,750	437,466

[1] Preliminary. [2] Includes spelt, meslin, and celza. [3] Attaché estimate. National Institute of Statistics.

A Look at the U.S. Position in World Grain Trade

Clarence D. Palmby, Executive Vice President of U.S. Feed Grains Council, spoke recently to the National Federation of Grain Cooperatives about future U.S. and world feedgrain trade, with special reference to Japan. The article below was based on his remarks.

The volume of feedgrains traded in the world is increasing rapidly, with corn and grain sorghum spearheading the growth. The reason lies in booming world production of corn and grain sorghum, particularly in exporting countries. The volume of barley being produced in the world also continues to increase, but has had less effect on trade volumes. Most of the increased production is in areas that are less than self-sufficient in total feedgrains, namely the United Kingdom and continental Europe.

As a round statistic, the combined volume of corn and grain sorghum changing hands in world commerce has increased on a trend basis over the last 10 years at a rate of about 100 million bushels per year. Ten years ago the volume traded from all sources was about 400 million bushels. Currently, the volume is about 1 billion bushels greater—1.4 billion bushels annually or approximately 120 million bushels monthly.

Two important grains

Corn and grain sorghum are significant in world commerce because these two grains are becoming increasingly important in feed formulation in most countries. The two grains are also of paramount importance to U.S.

During the last few years, while our country has been supplying about 50 percent of the feedgrains moving in world commerce, we have been supplying over 60 percent (nearly two-thirds) of the corn and grain sorghum sold in the world market.

If over the next 10 years the volume of corn and grain sorghum traded in the world continues to increase at the same rate as that of the last 10 years, the volume changing hands by the year 1978 will be about 2.4 billion bushels annually. And if the United States continues to supply 60-65 percent of the total, annual U.S. corn and grain sorghum exports could be 1.5 billion to 1.6 billion bushels.

The volume of feedgrains being imported by Japan has increased in a dependable manner, and the future for continued increased utilization is bright. In recent years, about 30 percent of the increased world trade in corn and grain sorghum was due to the larger volume imported by Japan. The other 70 percent of the market growth each year is due to increased corn and grain sorghum utilization by livestock and poultry in Europe and to a limited degree in other importing countries in Asia other than Japan. Mention must also be made of the increased movement of grain sorghum for food in India last year and during the current season.

The rate of expanded utilization of corn and grain sorghum for feed in Japan is and will be determined by the level of consumer purchases of meat, poultry, and eggs and, to an extent, dairy products. Since 1959 when we first became acquainted with the Japanese feed manufacturers and livestock interests, we have been told that the one limiting factor in expanding the utilization of feed and feedgrains is the real demand for animal protein foods in human diets.

End-product sales

We think the opportunity for continued expansion of the Japan market is almost unlimited. The per capita consumption of animal protein foods is still extremely low in comparison to our own consumption. The price of fish to the consumer continues to increase. Our program in the future years will emphasize the value and significance of larger servings of animal proteins in human diets.

U.S. CORN [1], SORGHUM EXPORTS

Destination	July 1967/Feb. 1968
	Metric tons
Western Hemisphere:	
Corn	939,971
Sorghum	41,698
Western Europe:	
EEC:	
Corn	4,696,394
Sorghum	716,070
Others:	
Corn	2,338,017
Sorghum	130,999
Eastern Europe:	
Corn	238,868
Sorghum	97,976
Japan:	
Corn	1,325,846
Sorghum	1,559,740
Others:	
Corn	298,202
Sorghum	967,002
World total	13,350,783

[1] Includes seed corn except sweet and exports for relief.

New Import Duties on French and Italian Tomato Products

On June 1 countervailing duties will be imposed by the U.S. Treasury Department on importations of canned tomato paste from France and on importations of canned tomatoes and canned tomato concentrates from Italy.

These actions are the result of an investigation conducted by the Bureau of Customs following a complaint of subsidization submitted by the Canners League of California. The League's complaint was filed pursuant to Section 303 of the Tariff Act of 1930 (19 U.S.C. 1303) and appeared in the Register on April 19, 1968.

The countervailing duties will be assessed on the importation of these products following 30 days after publication in the Customs Bulletin on May 1.

The Treasury said the duties on canned tomato paste from France are intended to counteract subsidies by the Government of France on exports to the United States of the tomato paste in question.

Countervailing duties will be assessed only to shipments which receive benefits from the subsidy program. The amount of the countervailing duties will be equal to the amount of the subsidy; the Treasury declared this to be 0.216 French francs per kilogram ($0.02 per lb.).

Countervailing duties likewise will be assessed on importations of canned tomatoes and canned tomato concentrates from Italy and are intended to counteract subsidies by the Government of Italy on exports to the United States of the tomato products in question. These, too, will affect only subsidized shipments.

The Treasury declared the amount of the Italian subsidy to be 18 percent of the invoice value but not more than 1,800 Italian lire per 100 kilograms of canned tomatoes ($0.0127 per pound) and 15 percent of the invoice value but not more than 3,300 Italian lire per 100 kilograms of canned tomato concentrates ($0.025 per pound).

Cotton Team Sees Potential and Competition in Europe

West European countries would greatly increase imports of U.S. cotton if they could be assured adequate supplies of good quality at competitive prices, USDA's cotton export promotion team reports.

The team, which just returned from a 3-week sales mission to the United Kingdom, the Netherlands, West Germany, Italy, and France—countries which usually account for about one-fourth of total U.S. cotton exports—was made up of cotton industry and USDA representatives. Members reported that Europeans would like to believe that the United States is serious about its desire to recapture a large share of the European cotton market. But most Europeans are skeptical about the ability and willingness of U.S. farmers to grow large quantities of cotton for export at competitive world prices.

Steady supplies needed

The Europeans feel that unless the United States can produce at least 14-15 million bales annually it cannot expect to sell large quantities to them, the team stated. The European trade believes U.S. production in 1968 will be less than 12 million bales, and would thus fall short of meeting U.S. domestic and export requirements.

Team members met with cotton importers and users to discuss the U.S. and world cotton situation and outlook and the situation in import markets and textile industries in Europe. They also visited port facilities in Bremen, Germany, and Le Havre, France, and observed textile mill operations at several locations.

Importers and spinners have a friendly and receptive attitude toward U.S. cotton, the team said, and look to the United States for leadership in world raw cotton trade. But short supplies, especially of the better quality cotton available for export, have resulted in cotton from the United States being priced above comparable cotton offered by other exporting countries in recent months.

In each of the markets visited, buyers and users emphasized that adequate supplies of desired qualities must be available on a competitive and continuing basis if the United States expects to reestablish its position as the major cotton supplier to European markets. Otherwise, U.S. cotton will continue to lose export markets to other growths of cotton as well as synthetics, the team reported.

Europeans recommend that the United States take steps to merchandise its cotton with identification of individual bales by variety and locality of growth. Buyers indicated that uniformity of quality—highly significant to the spinner—in most foreign growths is more consistent because of fewer varieties and more uniform growing conditions. There are many more varieties in the United States and they are grown in many localities under widely different conditions.

Team members found that competition faced by U.S. cotton in European markets from foreign grown cotton and from manmade fibers is intense. Manmade fibers are continuing to make rapid inroads into the fiber markets in Europe, especially in the United Kingdom.

Promotion and research

The team recommended that cotton promotion under the International Institute for Cotton program should be continued and expanded. The idea was advanced that promotion of cotton products be continued at the retail level, and simultaneously promotion of the advantages and potentials of U.S. cotton should be done at the importer and manufacturer levels. This could be done by having U.S. sales and technical representatives available to the European merchants and manufacturers, the team added.

Another recommendation is that the program of research on cotton products should be accelerated to help cotton meet manmade fiber competition. Such research should include exploration of the properties of the cotton fiber itself, improvements through chemical means, and any other avenues that would bring out cotton's desirable qualities and lead to expanded markets.

Principal research officer at Shirley Institute, Manchester (second from left) explains cotton testing methods to members of the U.S. cotton mission visiting in the U.K.

U.S. Cotton Sales Team Now in Asia

A cotton sales team left for the Far East last month as part of USDA's export market development program. This action followed contacts with trade representatives during Secretary Freeman's recent trade mission to Japan and other Far East countries.

Members of the team—representatives of USDA and the cotton industry—will visit Japan, South Korea, Taiwan, Hong Kong, the Philippines, Thailand, and India during the period April 20-May 11.

The five countries to be visited are currently purchasing nearly $300 million worth of American cotton a year—60-70 percent of U.S. cotton exports. Japan last year imported more than half of this amount, with Korea and Taiwan the second and third most important importers of U.S. cotton.

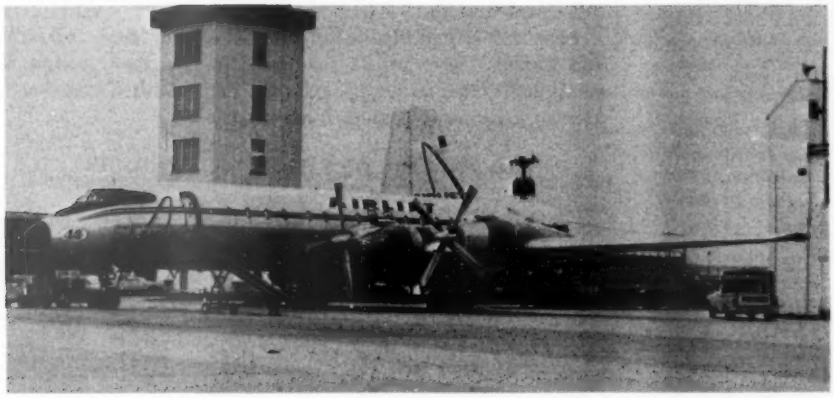
The Far East cotton sales team will study market conditions in these countries and seek to help increase sales of U.S. cotton still further there.

American Sheep Airlifted to India

Four airshipments of sheep were flown out of San Angelo, Tex., for New Delhi in March and April in an ambitious and carefully handled business venture between Texas breeders and the Indian Government.

The total payload of some 1,460 Registered Rambouillet rams and ewes are headed for sheep farms in the New Dslhi highlands to help upgrade the quality and quantity of local wool so that imports may be cut back. The sale followed on the heels of a successful experimental shipment of 200 U.S. sheep to India in 1964 and was coordinated here by the American Rambouillet Sheep Breeders Association and the Foreign Agricultural Service.

Left, the sheep are moved into specially built pens; below, the cargo airliner. Photos: San Angelo Standard-Times.



Every precaution was taken to guarantee the sheep's safe arrival. The animals were loaded under veterinary supervision into special doubled-decked pens of metal and wire equipped with water and feeding troughs, which were installed in the plane. The same CL-44 airplane weighing 180,000 pounds fully loaded and fueled was used in each of the four 8,000-mile flights.

The sales agreement called for 60 rams and 1,400 ewes, some of them bred. Delays in the first shipment kept the sheep in transit longer than expected, and about 60 lambs were born before the plane touched down in India. All of them survived. Of the total shipment only a dozen animals died.

The sheep were priced at between $220 and $235 each, lambs included in their mothers' price, and were purchased by India with an AID loan.

U.S. Producers Try Railroad Route to World Corn Market

For the first time in history, U.S. corn producers have begun shipping their product overseas in substantial quantities via Houston and other Texas gulf ports.

Behind this transportation breakthrough is a 31-percent reduction in rates charged by the Rock Island Railroad for shipping corn. With such rates now at 36 cents per hundred pounds, corn moving by rail to Houston and other Texas gulf ports can be sold at competitive prices in the European market. Prior to the rate change, shipping through Houston would have meant a price in Europe that was 9 cents per bushel more than for corn which moves to New Orleans by barges—principal haulers of corn for export markets.

Ushering in this change was the historic trip last month of the world's largest grain train from Omaha, Nebraska, to Houston, Texas. The major part of that 2-mile-long 9-engine train was given over to 450,000 bushels of Iowa corn; this was loaded into 133 of the train's 200 hopper cars. Upon arriving in Houston, the train moved as a single unit to the grain elevator of a leading exporter. There, the grain was dumped, elevated, and then reloaded aboard a freighter for Amsterdam.

World's longest grain train, loaded with corn for export from Houston, moves across Kansas countryside.

CROPS AND MARKETS SHORTS

U.S. Livestock, Meat Products Trade Up

U.S. trade in livestock and meat products was up on both the import and export side in early 1968. Exports of livestock and meat products during the period January and February 1968 were larger for tallow, lard, and live cattle, but lower for variety meats. Exports in most other categories were lower compared with a year earlier.

Inedible tallow and lard exports increased 11 and 8 percent, respectively, over 1967 totals. Live cattle exports were up 9 percent because of the growing demand for U.S. breeding cattle. Variety meat exports, a major export commodity, declined 3 percent because of smaller February shipments. Most red meat exports were down during this period.

Cattle hide exports continued at a lower level this year because of greater world supplies and reduced demand. Mohair exports have suffered likewise.

Total red meat imports rose 15 percent during the January-February period of this year, compared with a year earlier. Mutton and goat imports were up 50 percent, lamb 36 percent, beef and veal 14 percent, and pork 10 percent.

Total wool imports (dutiable and duty-free) increased 60 percent from a year earlier, because of increased domestic mill consumption.

Live cattle imports, mainly feeder cattle from Mexico and Canada, were up 25 percent from the same period a year earlier. Increases were recorded from both Canada and Mexico, with more coming from Canada.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	February		Jan.-Feb.	
	1967	1968	1967	1968
Red meats:				
Beef and veal:				
Fresh and frozen:	*1,000*	*1,000*	*1,000*	*1,000*
Bone-in beef:	*pounds*	*pounds*	*pounds*	*pounds*
Frozen	71	156	348	1,055
Fresh and chilled	335	1,075	680	1,649
Boneless beef	52,927	63,215	122,976	134,269
Cuts (prepared)	198	334	222	370
Veal	938	1,322	3,350	3,643
Canned beef:				
Corned	6,031	6,972	10,359	14,465
Other, incl. sausage	965	1,129	2,117	2,902
Prepared & preserved	2,776	5,193	7,125	9,891
Total beef & veal	64,241	79,396	147,177	168,244
Pork:				
Fresh and frozen	3,589	3,839	7,335	8,272
Canned:				
Hams & shoulders	17,569	18,776	32,310	37,009
Other	4,924	3,670	8,447	7,744
Cured:				
Hams & shoulders	110	100	240	187
Other	303	457	647	766
Sausage	239	168	424	369
Total pork	26,734	27,010	49,403	54,347
Mutton and goat	4,243	6,868	8,518	12,748
Lamb	591	649	1,410	1,912
Other sausage	578	688	1,057	1,163
Other meats, n.s.p.f.	1,253	1,149	2,499	2,844
Total red meat	97,640	115,760	210,064	241,258
Variety meats	298	165	622	855
Wool (clean basis):				
Dutiable	8,914	14,527	18,407	26,195
Duty-free	4,208	8,976	11,234	21,321
Total wool	13,122	23,503	29,641	47,516
	1,000	*1,000*	*1,000*	*1,000*
Hides and skins:	*pieces*	*pieces*	*pieces*	*pieces*
Cattle	7	26	23	50
Calf	33	75	78	100
Kip	26	17	50	43
Buffalo	38	58	84	100
Sheep and lamb	1,774	3,413	2,932	5,656
Goat and kid	793	734	1,658	1,348
Horse	18	29	38	71
Pig	162	76	260	152
	Number	*Number*	*Number*	*Number*
Live cattle [1]	41,346	56,558	100,018	125,423

[1] Includes cattle for breeding.
Bureau of the Census.

U.S. EXPORTS OF LIVESTOCK PRODUCTS

Commodity	February		Jan.-Feb.	
	1967	1968	1967	1968
	1,000	*1,000*	*1,000*	*1,000*
Animal fats:	*pounds*	*pounds*	*pounds*	*pounds*
Lard	13,741	26,743	31,640	33,838
Tallow and greases:				
Inedible	210,064	218,068	342,573	369,548
Edible	2,872	798	4,659	1,251
Meats:				
Beef and veal	2,754	2,287	5,516	4,852
Pork	6,305	2,755	10,785	5,918
Lamb and mutton	107	132	177	259
Sausages:				
Except canned	145	212	292	431
Canned	116	150	162	270
Other canned meats	639	786	1,394	1,522
Meat specialties:				
Frozen	160	278	246	405
Canned	281	110	429	224
Total red meats	10,507	6,709	19,001	13,873
Variety meats	18,820	16,423	37,985	36,660
Sausage casings:				
Hog	484	447	1,073	1,005
Other natural	173	190	423	366
Mohair	602	663	1,227	1,201
Hides and skins:				
Cattle parts	3,979	2,496	5,545	5,139
	1,000	*1,000*	*1,000*	*1,000*
	pieces	*pieces*	*pieces*	*pieces*
Cattle	1,324	983	2,495	1,980
Calf	169	176	312	346
Kip	61	35	93	73
Sheep and lamb	246	305	401	549
Horse	4	7	7	9
Goat and kid	30	7	42	16
	Number	*Number*	*Number*	*Number*
Live cattle	3,426	3,719	7,183	7,834

Bureau of the Census.

Weekly Report on Rotterdam Grain Prices

Between April 17 and April 24, 1968, there was very little change in the offer prices of wheat in Rotterdam. Argentine wheat was down 1 cent, while U.S. Soft Red

Winter declined 2 cents per bushel. All others remained unchanged.

U.S. corn was up 2 cents, while Argentine corn was down 2 cents. South African corn remained the same.

A listing of the prices follows.

Item	April 24	April 17	A year ago
	Dol. per bu.	*Dol. per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	2.02	2.02	2.18
USSR 121	1.92	1.92	(1)
U.S. No. 2 Dark Northern Spring, 14 percent	1.88	1.88	2.08
U.S. No. 2 Hard Winter, 12 percent	(1)	(1)	1.97
Argentine	1.88	1.89	1.97
U.S. No. 2 Soft Red Winter	1.60	1.62	1.90
Corn:			
U.S. No. 3 Yellow	1.33	1.31	1.54
Argentine Plate	1.42	1.44	1.55
South African White	1.48	1.48	1.61

[1] Not quoted.

Note: All quotes c.i.f. Rotterdam and for 30- to 60-day delivery.

Peru's Rice Crop Falls

Prolonged drought in northern Peru has dealt a sharp blow to the country's 1968-69 rice crop, which is expected to fall 44 percent from the previous season's level to 150,000 metric tons, milled basis.

Hardest hit of the four Departments involved is Lambayeque, which may have a production of only 10,000 tons this season, compared with 69,920 in 1967-68. Also suffering heavy losses are La Libertad and Piura, with crops estimated to be off 46 and 39 percent, respectively. Following is a production breakdown (milled basis) for Peru's northern rice-producing Departments.

This sharp drop in rice production will substantially reduce the availability of rice for domestic consumption and increase import requirements. If the 150,000-ton production forecast materializes, Peru will need to import 150,000 tons of milled rice to meet its normal consumption requirements. Last year, it imported about 68,000 tons with 66 percent of this coming from the United States.

Department	Production 1968-69	Production 1967-68 [1]	Percent change from 1967-68
	Metric tons	*Metric tons*	*Percent*
Tumbes	[2] 6,000	5,704	+5
Piura	[2] 24,000	[3] 39,379	−39
Lambayeque	[2] 10,000	69,920	−84
La Libertad	[2] 50,000	92,000	−46
Total	90,000	207,003	−57
Other	60,000	62,997	−5
Grand total	150,000	270,000	−44

[1] Ministry of Agriculture. [2] Consular agent, Piura; rice producers; and agricultral attache's estimates. [3] Includes rice produced in Chira, Alto Piura, and San Lorenzo zones.

Switzerland Raises Feedgrain Subsidy

Subsidies paid by the Swiss Government to feedgrains producers designed to divert land from dairy production have recently been increased. In March the government announced the basic 1968 subsidy for barley and oats would be U.S. $41.85 per acre and for corn $46.50 per acre. An additional $9.30 per acre will be paid at elevations over 3,250 feet and $18.60 per acre for elevations above 6,500 feet.

These new subsidy rates are all $4.65 per acre higher than the 1968 rates initially fixed on December 29, 1967. However, the Swiss farm press has raised doubts that even the new subsidy rates will be sufficient to overbalance the returns from dairying.

Total Swiss feedgrain production in 1967 amounted to 210,000 metric tons. An unofficial estimate indicates that the 1968 subsidy rates may boost the feedgrains crop by only about 30,000 tons.

Switzerland imported about a million tons of feedgrains in 1966-67, approximately 10 percent from the United States.

Yugoslav Hops Estimate Unchanged

Yugoslavia's 1967 hops crop is still estimated at only 11.5 million pounds, representing no change from the post-harvest estimate *World Agricultural Production and Trade* (December issue). The 1967 harvest, although 5 percent below that of the previous year, was virtually the same as the 1961-65 average crop. Dry summer weather was the main factor in the smaller crop, but it also caused above average quality with about 60 percent of the crop grading top quality.

Producer prices averaged 59 cents a pound, while brewers paid 65-80 cents depending on quality. The October-December average export price was 88 cents for Styrian and 73 cents for Backa hops.

October-December exports totaled 5.7 million pounds—down from 6.3 million for the same period in 1966. Total 1967-68 exports may just about equal last year's level of 9.9 million pounds, but large supplies of German hops available at abnormally low prices are providing serious competition.

YUGOSLAVIA'S HOPS SUPPLY AND DISTRIBUTION

Year beginning October 1

Item	Average 1961-65	1965-66	1966-67	Preliminary 1967-68
Beginning stocks	1.3	2.3	2.4	2.6
Production	11.6	10.8	12.1	11.5
Imports	....	....	....	....
Total supply	12.9	13.1	14.5	14.1
Exports	10.0	9.0	9.9	9.5
Domestic disappearance	1.2	1.7	2.0	2.2
Ending stocks (September 30)	1.7	2.4	2.6	2.4
Total distribution	12.9	13.1	14.5	14.1

Ivory Coast Oil Palm, Coconut Acreage

Oil palm plantations in the Ivory Coast have been expanded in area from 16,550 acres in 1960 to 95,100 in 1967 under the government's crop diversification program, according to the Chamber of Agriculture. While uncultivated palm trees cover an estimated 1.6 million acres and provide edible oil to native farmers, most of the production is not commercially exploitable because of the wide distribution of trees and lack of transportation to crushing plants.

In an effort to make the Ivory Coast one of the world's largest palm oil exporters, the government plans to expand oil palm plantations by 1970 to 187,800 acres, which by 1975 should produce palm fruit sufficient to supply 135,000 metric tons of palm oil. This would enable exportation of

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90,000 tons compared with 10,000 at present. Financial assistance for this program is provided by the European Development Fund (EDF) of the EEC.

The program also calls for the construction of 8 additional processing mills, each with an annual capacity of 8,000 tons of oil. The mills also will be financed by the EDF.

The government also plans to increase production of copra and coconut oil by planting 37,000 acres to coconut trees by 1970. Commercial plantations and African producers are receiving select plants and technical assistance. Village farmers will receive about 30 percent of the new plants. The first 2,500 acres were financed by the French Assistance Fund and the remaining 34,500 by the World Bank.

Argentine Sunflowerseed, Peanut Output

According to the first Argentine estimates, sunflowerseed production in Argentina during 1968 is expected to total 900,000 metric tons—down 20 percent from the 1,120,000 tons produced last year. Peanut production is estimated at 326,800 tons, 8 percent less than the 354,000 crop of 1967.

The smaller production of both crops was attributed to decreased acreage in the case of sunflowers, and smaller yields resulting from adverse weather during the final stages of sowing. The sunflowerseed area fell by 12 percent to 2.95 million acres and the peanut area by 11 percent to 738,800.

Turkey's Tobacco Exports Set Record

Turkey's tobacco exports reached a record 201.1 million pounds in 1967, compared with 187.9 million in 1966, and 152.1 million in 1965. There was a sharp increase in shipments to the United States last year. At 128.2 million pounds, they were up nearly 19 million from those of 1966, and accounted for 64 percent of Turkey's total tobacco exports.

Other major markets for Turkish leaf in 1967, in millions of pounds, were as follows: West Germany 15.2, Hungary 11.5, Japan 6.9, Poland 6.8, and Czechoslovakia 4.9.

TURKEY'S TOBACCO EXPORTS

Destination	1966	1967
	1,000 pounds	*1,000 pounds*
United States	109,469	128,200
Germany, West	23,981	15,162
Hungary	7,089	11,485
Japan	3,777	6,919
Poland	4,624	6,781
Czechoslovakia	4,646	4,936
Germany, East	6,194	4,303
Belgium	3,254	4,224
Italy	2,099	3,921
Soviet Union	2,050	3,157
Others	20,692	11,969
Total	187,875	201,057

Tobacco Intelligence, London.

U.K. Cocoa Grind Increases Slightly

Grindings of cocoa beans in the United Kingdom during the first quarter of 1968 totaled 25,000 long tons, a slight increase over the 24,500 tons ground during the similar 1967 period. Annual 1967 grind was 94,200 tons, down 11.5 percent from 1966.

U.S. Cocoa Bean Grind

U.S. grindings of cocoa beans during the first quarter of 1968 totaled 167.3 million pounds, up 2.1 percent over the corresponding period a year ago. Revised total grind for 1967 was 648.7 million pounds, compared with 1966 annual grindings of 646.5 million.

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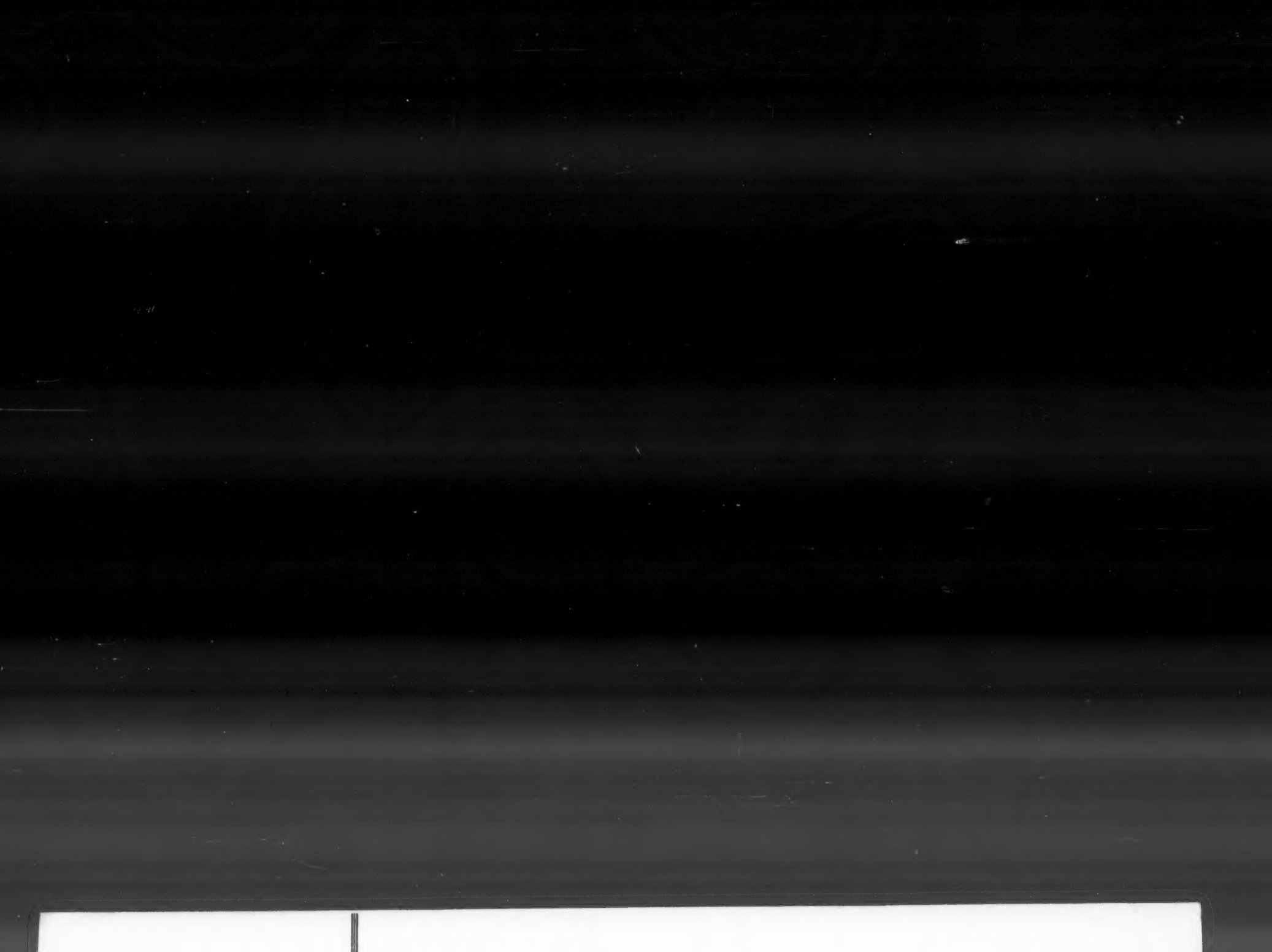
Correction: Issue of April 29, 1968, page 4, line 7 should read ". . . will rise to approximately 70 percent."

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